

RECORDATION NO. *20564* FILED
WIAR *4/1* 1997 -2 25 PM

ALVORD AND ALVORD
ATTORNEYS AT LAW
918 SIXTEENTH STREET, N W
SUITE 200
WASHINGTON, D C
20006-2973
(202) 393-2266
FAX (202) 393-2156

OF COUNSEL
URBAN A. LESTER

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

March 4, 1997

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U S C Section 11301(a), are four (4) copies of a Memorandum of Lease, dated as of February 19, 1997, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor: Illinois Central Railroad Co.
455 North Cityfront Plaza Drive
Chicago, Illinois 60611

Lessee: National Railway Equipment Co
14400 S. Robey St.
PO Box 2270
Dixmoor, IL 60426

A description of the railroad equipment covered by the enclosed document is:

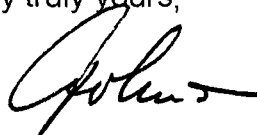
seventeen (17) diesel electric locomotives ICG 2025 through ICG 2038, inclusive and IC 2039 through IC 2041, inclusive

Mr. Vernon A. Williams
March 4, 1997
Page 2

Also enclosed is a check in the amount of \$24 00 payable to the order of the
Surface Transportation Board covering the required recordation fee

Kindly return stamped copies of the enclosed document to the undersigned

Very truly yours,

A handwritten signature in black ink, appearing to read 'R. Alvord', with a stylized flourish at the end.

Robert W Alvord

RWA/bg
Enclosures

RECEIVED NO. 20564
MAR 4 1997 2:00 PM

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE made as of February 19, 1997 is intended to evidence the Master Equipment Sublease dated as of February 6, 1997 and the Schedules to be executed in connection therewith (collectively, the "Lease"), each between **ILLINOIS CENTRAL RAILROAD COMPANY**, a Delaware corporation ("Lessor"), and **NATIONAL RAILWAY EQUIPMENT CO.**, an Illinois corporation ("Lessee"), for the purpose of satisfying the requirements of recordation with the Surface Transportation Board under 49 U.S.C. § 11301. Lessee will lease from Lessor 17 SD-20 diesel electric locomotives, more fully described in Exhibit A hereto, pursuant to the Lease and at the rentals and upon and subject to the other terms and conditions contained in the Lease.

IN WITNESS WHEREOF, each of Lessor and Lessee has executed this Memorandum of Lease on the date indicated below its signature.

**ILLINOIS CENTRAL RAILROAD
COMPANY**

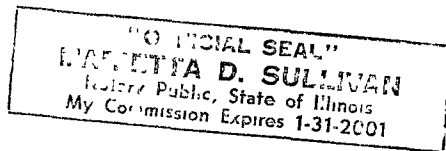
**NATIONAL RAILWAY EQUIPMENT
CO.**

By: *A. Loman*
Title: TREASURER
Date: February 24, 1997

By: *Richard F. Foutz*
Title: Assistant Secretary
Date: Feb. 27, 1997

STATE OF ILLINOIS)
)
COUNTY OF COOK) SS

On this 24th day of February, 1997, before me personally appeared D. A. Koman, to personally known, who, being by me duly sworn, says that he is Treasurer of Illinois Central Railroad Company, that the foregoing instrument was signed on behalf of said corporation by authority of its board of directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Marietta D. Sullivan

Notary Public

My Commission Expires:

Jan 31, 2001

(NOTARIAL SEAL)

STATE OF ILLINOIS)
)
COUNTY OF COOK)

On this 22th day of February, 1997, before me personally appeared Richard Loritz, to me personally known, who, being by me duly sworn, says that (s)he is Asst. Secretary of National Railway Equipment Co., that the foregoing instrument was signed on behalf of said corporation by authority of its board of directors and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Peter Stines

Notary Public

My Commission Expires:

11/2/99

(NOTARIAL SEAL)



EXHIBIT A

Seventeen (17) SD-20 diesel electric locomotives marked and numbered ICG 2025 to ICG 2038, inclusive, and IC 2039 to IC 2041, inclusive.